

VERMONT STATE HOUSING AUTHORITY
ANNUAL and REGULAR MEETING MINUTES
September 28, 2016

1. ROLL CALL

The Annual and Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:05 a.m. by Chair Caprice Hover. Upon roll call, the following Commissioners were present: Mary Miller, Vice Chair; Cory Richardson; Jo Ann Troiano; and Caryn Feinberg. Linda Ryan and Robert Lees were absent.

Staff personnel present: Richard Williams, Secretary/Executive Director; Kathleen Berk, Director of Housing Program Administration; Kelly Pembroke, Director of Finance and Information Systems; Arlene Shorten-Goodrich, Director of Human Resources and Administration; Susan Kuegel, Director of Property and Asset Management; Krister Adams, Housing Development Specialist; and Jim Gallagher, Office Services Coordinator.

2. MEETING AGENDA

There were no changes to the meeting agenda.

3. PUBLIC PARTICIPATION

There was no public participation.

4. ELECTION OF OFFICERS

Hover relinquished the Chair to Williams to conduct nominations for the annual election of officers.

Williams opened up the meeting to nominations.

Troiano nominated the current slate of officers: Caprice Hover as Board Chair, Mary Miller as Vice Chair, and Richard Williams as Secretary; Richardson seconded the motion. Williams inquired if there were further nominations to the positions and there being none, nominations were closed. Williams cast one vote. All voted in favor and the motion passed.

Williams returned the Chair to Hover.

5. MINUTES - REGULAR MEETING AND PUBLIC HEARING, JULY 13, 2016

Hover inquired as to discussion, corrections, or omissions. Richardson moved to approve the Minutes of the Regular Meeting and Public Hearing of July 13, 2016 and Troiano seconded. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

6. SECRETARY'S REPORT - AUGUST / SEPTEMBER 2016

Williams began the Secretary's Report.

It's unclear what the Continuing Resolution will look like coming out of Congress. Once passed it will go through December 9th.

There was a brief discussion about the many variables that result in vacancies at HFI's properties.

Hover asked for a motion to approve the Secretary's Report. The motion was made by Miller and seconded by Richardson. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

7. FINANCIAL REPORT THROUGH AUGUST 31, 2016

Pembroke presented the Financial Report through August 31, 2016.

On the income side, we will exceed our budgeted projections. This is due to a small increase in administrative fee proration rates. As of August 31, we are \$55,756 over projections.

We've collected \$20,000 more than budgeted for in-state inspections and \$34,000 in fraud recovery.

Some of the typical computer upgrades were put off, lowering spending in that category.

The annual audit with Kittell Branagan & Sargent (KBS) has been scheduled for the week of October 31st.

On the expense side, we are under budgeted projections. The Salary line item is under by around \$51,000. There was a reclassification of 13 employees, resulting in raises which cut into this line item a bit, but we'll still be under budget at the end of the year.

There is some rehabilitation work currently being performed at VSHA's main office, the invoices for which will be accounted for in FY2016.

Overall, we are showing a gain heading into the final month of the fiscal year.

Hover asked for a motion to approve the Financial Report. The motion was made by Richardson and seconded by Feinberg. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

8. FARRINGTON'S FINANCIAL STATEMENTS THROUGH JUNE 2016

VSHA has a financial interest in Farrington's Mobile Home Park in Burlington, so we look at their financials on a quarterly basis. The statement included in the Board packet shows their financials through the end of June 2016. Pembroke also distributed a balance sheet as of June 2016.

Six months into the year, Pembroke believes they are having a good year. However, we will continue to monitor their financials to see if any issues arise.

9. POSSIBLE EXECUTIVE SESSION – COLLECTIVE BARGAINING NEGOTIATED CHANGES

At 11:40 a.m. Troiano moved that the Board enter Executive Session to receive information and deliberate regarding the proposed, negotiated changes to the collective bargaining agreement between the VSHA and the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association under the provisions of Title 1, Section 313(a)(1) of the Vermont Statutes in that premature public knowledge of the content of such discussions would clearly put VSHA at a substantial disadvantage.

At 12:03 p.m. Miller motioned to leave Executive Session, seconded by Feinberg, and upon call for a vote, all voted in favor.

There was no action during Executive Session.

10. COLLECTIVE BARGAINING CONTRACT RATIFICATION

The following Resolution was presented to the Board for consideration:

VERMONT STATE HOUSING AUTHORITY RESOLUTION

WHEREAS, the Collective Bargaining Agreement (Agreement) between the Vermont State Housing Authority (VSHA) and the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association (Federation) terminates on September 30, 2016, and

WHEREAS, on May 25, 2016, the Board of Commissioners (Board) authorized the Executive Director or his designee(s) to bargain on behalf of the Board with the Federation, to reach tentative agreement on the terms and conditions for an agreement between the parties, and to submit the same to the Board for final acceptance and approval, and

WHEREAS, the VSHA Management Bargaining Team and the Federation Bargaining Team have successfully negotiated and reached tentative agreement on a new two-year Agreement, and

WHEREAS, the Federation Bargaining Team intends to submit the tentative agreement for a new Agreement, as negotiated, to their membership for ratification.

NOW THEREFORE, BE IT RESOLVED BY THE VSHA Board of Commissioners that such Agreement, subject to ratification by the Federation, is hereby ratified and authorized by the Board of Commissioners; and further that the Chair or the Executive Director is hereby authorized to execute the Agreement on behalf of the Board of Commissioners.

Miller moved the above Resolution as presented pending ratification by the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association; Troiano seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

The Board recessed for lunch at 12:10 p.m. and returned to session at 12:30 p.m.

11. FISCAL YEAR 2017 BUDGET

Pembroke presented the Fiscal Year 2017 Budget, along with a list of budget items with detailed descriptions which were included in the Board packet.

Salary increases for non-union staff and management are consistent with and applied at the same percentage as union staff. This is consistent with what we have done in the past.

Hover asked for a motion to approve the FY 2015 Budget. The motion was made by Troiano and seconded by Feinberg. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

12. FLEXIBLE BENEFIT PLANS

Shorten-Goodrich gave a brief description on why it makes sense to switch the company administering VSHA's Flexible Spending Accounts. A detailed memo on the subject was included in the Board packets.

Troiano moved to authorize switching from Benefit Strategies, LLC to Health Equity to administer VSHA's Flexible Spending Accounts; Miller seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

Williams added that we will no longer be using a broker for health care insurance, so there will be a small cost savings there.

13. FISCAL YEAR 2017 - BRIGHTWOOD HOUSE BUDGET

Brightwood House in South Royalton is the only property that VSHA still owns. It is a Section 515 USDA Rural Development property.

USDA Rural Development has not yet approved the Brightwood House Budget that Kuegel submitted, a copy of which was included in the Board packet. There is no rent increase in the budget and Kuegel expects USDA RD to approve the budget.

Some exterior painting was recently completed at this 15-unit property. The cost was \$49,000.

Hover asked for a motion to approve the FY 2017 Brightwood House Budget, pending approval by USDA Rural Development. The motion was made by Miller and seconded by Richardson. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

14. UPDATE - HOUSING PROGRAM ADMINISTRATION

Vermont Legal Aid Comments on 2016 Annual Plan/Section 8 Administrative Plan

VSHA received comments on VSHA's 2016 Annual Plan/Section 8 Administrative Plan after those plans were approved at the July Public Hearing/Regular Meeting. A copy of those comments and Berk's detailed response was included in the Board packet. Berk briefly reviewed some of those issues/responses.

Homeless Preference that the Board adopted in July 2015

After some concerns were raised, Berk reached out to the Vermont Human Rights Commission and the program representative at HUD to get some clarification on the homeless preference that VSHA adopted in July 2015.

It turns out that the preference has the unintended effect of being discriminatory. We cannot have a preference that is based on familial status. Specifically, the preference currently targets families with minor children. We can have a homeless preference and that preference can continue to be connected to case management services and referrals can continue to come from homeless service providers. However, it can't be specific to families with minor children.

Berk will do some research to determine whether VSHA needs to hold a public hearing on this change.

The Roadmap to End Homelessness

The consulting firm that was hired to do this work has received its surveys and is continuing to do stakeholder interviews. Their report needs to be submitted to the Legislature by January.

The goal is to come up with a plan for ending homelessness. Berk will report back to the Board in November, as the consulting firm's work should be mostly done by then.

Continuum of Care Planning Position

VSHA is the collaborative applicant for the Balance of State Continuum of Care (BoSCoC). That means that we submit the state's application for BoSCoC for homeless funding. BoSCoC has applied for and has been successfully awarded a planning grant. Included in the budget for that planning grant is a staff position to support BoSCoC to do things like training, education, help develop local continuums of care, assist with the application process, annual Point in Time count, etc.

There are conversations within the BoSCoC regarding who is best to host this position, including VSHA. VSHA currently has two staff positions which are dedicated to this type of work. The budget for this grant would fully support the new position. The competitively-awarded grant would need to be applied for each year, so the position would be contingent upon that funding award.

Youth Homeless Demonstration Project Notice of Funding Availability (NOFA)

The goal of this demonstration project is to end youth homelessness by 2020 through a coordinated community response. It's a national competition in which ten rural communities will be selected for funding; a total of at least \$1 million will be awarded. The award will also include technical assistance from HUD. The application is due November 30, 2016.

Lawsuit - Appeal Decision in VSHA's favor

Berk provided the Board with a quick update regarding the ruling on a legal matter.

15. UPDATE - PROPERTY AND ASSET MANAGEMENT

Kuegel began the Property and Asset Management update.

USDA Pilot Program to those recovering from substance abuse disorders

USDA Rural Development (USDA RD) has announced a new pilot program. The program, which is only available in four states, maxes out at 25 units of rental assistance. If a property doesn't have full rental assistance and the owner(s) would like to participate in this program, the owner would accept someone coming in with a referral from the drug courts and that client would come with a rental assistance voucher. Once the client is leased up, the voucher becomes property-based, even if the client is not successful and leaves the property. That project-based voucher does not then have to be used for a client coming from the drug courts (although it could be).

VSHA only owns one property (Brightwood House) and it is 100% rental assistance. That means that VSHA isn't eligible for this pilot program. However, VSHA staff may have the opportunity to work with the program as management agent for The Housing Foundation, Inc. properties.

There was some discussion about whether some aspects of this pilot program might violate tenant/landlord law in Vermont.

16. UPDATE - DEVELOPMENT

Adams presented the Development update.

Windemere Mobile Home Park, Colchester: We are still having issues with the new septic system at this park. The system needs to be unclogged/cleaned on an almost monthly basis.

An engineer from Jericho, Vermont contacted VSHA about the possibility of doing a free pilot study to figure out what's causing the issues with the new system. Adams is currently evaluating the products that the engineer intends on using before accepting his proposal.

Hollister Hill Apartments, Marshfield: This 16-unit property will be completely razed and rebuilt. We currently have a site plan, though we need to revisit that plan since the funders feel that the costs are too high (over \$300,000 per unit). We are trying to get the funders to look at the acquisition costs and demolition costs separately.

Williams added that VSHA has HUD approval to allow VSHA to take ownership of the property for ninety days before selling it back to the partnership for the costs expended. That was originally going to take place on January 1, 2017. We plan on using VSHA money to retire the debt on the property with TD Bank, as well as paying the prepayment penalties. The application has been submitted to the Federal Home Loan Bank.

Since the new buildings will be on another piece of the property, the residents will be able to stay in their current units until the new units are completed. Plus, Kuegel is keeping units vacant when people move out; four of the sixteen units are currently vacant.

15. OTHER BUSINESS

Meeting Schedule: Approval of meeting changes for July and November, 2017

The Board reviewed and approved the 2017 VSHA Board of Commissioners meeting schedule.

There being no other business, Troiano made a motion at 1:30 p.m. to adjourn the meeting. The Chair adjourned the meeting.

Respectfully Submitted,



Richard M. Williams
Executive Director/Secretary

